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Advertising Age

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Best laid plans

The first of three Pacific Bell tv spots breaking this week shows an architect electronically relaying plans to another location. Foote, Cone & Belding, San Francisco, handles. *(See story on Page 3.)*

Olympic advertisers: Let the games begin

An Advertising Age roundup

The torch that lights up the 1984 Summer Olympics flame this week is igniting the tv advertising plans of more than 60 companies muscling in for viewer attention.

More than 130 official sponsors, suppliers and licensees have contributed to the $500 million-plus budgeted to operate the games, which run from July 28 to Aug. 12.

Just as significant are the advertisers that have bought time on ABC-TV's coverage of the games, more than covering the $225 million ABC paid for broacast rights.

Though the games reign as the tv darling of the summer, they are not likely to be used as a stage for new campaigns.

The reason is twofold. First, holding back on a campaign until the games begin forces the advertiser to miss out on much of the pre-games hype and promotions. Waiting to run a new spot also leaves the "official" sponsor vulnerable to competitors already running Olympics-themed spots.

Second, the games run for two weeks, during which audiences rise and fall with the time of day and popularity of the event. To receive the full impact of a new campaign launch, the advertiser would have to maintain costly weight throughout the games.

Still, the games are prime advertising property, even with the brouhaha that surrounded the Soviet-bloc boycott.

The following are highlights of what some advertisers are planning to showcase:

Transamerica Corp., the games' official insurance company, breaks a new campaign Aug. 1 with a spot, using a scale-model of San Francisco, the company's headquarters, which shows King Kong scaling the famous Transamerica pyramid building after wreaking havoc on the city's streets.

The spot uses the company's ongoing theme line, "Transamerica: Insurance, finance, manufacturing, transportation, innovation. The power of the pyramid is working for you."

Transamerica is running 53 spots

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McDonald's net tv buys up to $80 million for fall

By SCOTT HUME

McDonald's shift in advertising emphasis from local to network tv is taking shape.

Its operators last fall voted to increase from 1.25% of sales to 2% their contribution to the Operators National Advertising Fund, boosting the money available for network advertising to approximately $125 million.

That increase not only made possible McDonald's $35 million Olympics buy, but will allow it to boost its network presence next season.

Sources say McDonald's upfront network buy for the fall totals $80 million, a 60% increase over last year's $50 million upfront package.

McDonald's in the past has been an active sponsor of family-oriented network specials, especially those with high appeal for children. But network sources say McDonald's, now with an extra $30 million in its coffers, is considering buying time during specials more intently than ever before.

According to one source, the chain hopes to be a primary advertiser during at least one major network special per quarter.

While it will not compromise the family image it has worked so long and hard to establish, McDonald's is considering involvement with programing that is more controversial than it has in the past. Made-for-tv movies that positively deal with delicate issues, such as last season's "The Trouble with Amelia" (which examined incest), may get McDonald's sponsorship.

McDonald's officials could not be reached for comment.#

JWT to lose financial chief

By STEWART ALTER

New York—Herbert Eames Jr., who joined JWT Group as exec vp-chief financial officer when the agency holding company was first formed in 1980, is leaving.

Mr. Eames, 48, has been the agency's chief financial officer during the period when it had to restate its 1981 earnings downward because of irregularities associated with its syndication unit. However, the agency said his leaving has nothing to do with that episode. JWT's second-quarter figures indicate the agency has recovered and is recording new highs in commissions, fees and pretax earnings.

"Mr. Eames has expressed an interest [in] more operating responsibility in a larger company," said an agency spokeswoman. "He intends to leave and pursue that." Mr. Eames was on vacation and could not be reached for comment.

Mr. Eames, who joined JWT after three years

(Continued on Page 53)

Palmer Brown merging with Kalish & Rice

By DAVID SNYDER

Washington—Earle Palmer Brown Cos., the area's largest independent ad agency, is merging with Kalish & Rice, Philadelphia, establishing Brown as a leading player in the mid-Atlantic agency market.

The deal, which results in combined annual billings of $87 million, culminates more than three months of negotiations and marks the boldest expansion effort yet by Bethesda, Md.-based Brown. The agency long has stated a desire to increase its presence beyond Washington and go head-to-head with New York agencies for a greater share of mid-Atlantic accounts.

Brown's arrival in Philadelphia follows the opening this year of service offices in Baltimore and Richmond, Va., and a failed attempt last fall to merge with Eisner & Associates, Baltimore.

The merger with Kalish should set the stage for

(Continued on Page 53)

New cigaret design debuts in Canada

Rothmans cuts smoke

By MICHAEL DEIBERT

Toronto—A "low-smoke" cigaret being touted as the biggest breakthrough in cigaret products since the introduction of "light" brands is being test-marketed in Ontario by Rothmans of Pall Mall Canada.

Rothmans spent two years and $1.1 million developing the new brand, known as Passport.

The cigaret is described by company officials as a mid-tar cigaret that emits only half the "sidestream" smoke—that which is given off when the smoker is not puffing on the cigaret—of regular brands.

The "low-smoke" effect is achieved with a specially designed filter and new type of paper, according to Rothmans.

The cigaret has a filter that includes a small plastic insert that prevents smoke from entering the air when the cigaret is not being puffed on.

The brand now is being tested in London, Ont., and St. Thomas, said Peter Bone, executive director of pr for Rothmans.

If the test is a success, the brand will be rolled out nationally, according to Carl Katz, director of corporate planning for Rothmans in Toronto. Mr. Katz declined to comment on how long the test would last.

Rothmans is an autonomous division of the Rothmans World

(Continued on Page 53)

NEWSPAPER

AA
DC2001ACONGLI FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST PKWY #800
WASHINGTON DC 20014

Wall Street split on DDB's outlook

By STEWART ALTER

Is the worst over for Doyle Dane Bernbach?

Wall Street, reacting to DDB International's loss of the domestic Polaroid business and the imminent departure of the Atari videogames account (AA, July 23), has mixed emotions. Some analysts say the worst is now over for the agency; others warn that DDB must show it can replace those two prestige clients.

"Over the last two years, there have been consistent questions about the agency's vulnerability, with the possible losses of the Polaroid and Atari accounts mentioned most frequently," said Jerry Levine, a vp at Merrill Lynch, Pierce, Fenner & Smith. "Once that news is out, you can't really raise those questions anymore about the agency's vulnerability. Substantially, the worst is over."

Although the clouds of Polaroid and Atari may have cleared, another analyst felt that the hard questions about DDB still must be

(Continued on Page 53)

BEST COPY AVAILABLE

Ford in Vanessa's future?

By PAT SLOAN

Vanessa Williams, deposed for what she exposed, may not be without work for long.

The first black Miss America turned in her crown after it was revealed she was revealed in nude photos in *Penthouse* (AA, July 23).

Seeking a career in entertainment, Ms. Williams has received an endorsement from the doyenne of the modeling industry, Eileen Ford, who presides over Ford Models in New York. Ms. Ford, reached in Rome, noted that although she knew nothing about the controversy Ms. Williams' photos caused, "it would be very hard to discourage me" about Ms. Williams' modeling future.

But Ms. Ford's competitors at EliteModel Management aren't likely to raise her bid, if she makes one. "We won't be offering Ms. Williams anything," said a spokeswoman for the New Faces division, because "she's too short."

During her reign as Miss America, Ms. Williams, in addition to personal appearances, was expected to fulfill her duties by working for pageant sponsors including Gillette, American Greetings and Nestle. She also made a cameo appearance in Diet Coke ads.

While representatives from Coca-Cola Co. and Nestle have said no further plans were made before the *Penthouse* disclosure, so no future advertising is affected, Gillette has nixed promotional tie-ins to the pageant using Ms. Williams. And American Greetings has canceled print ads featuring her that were to have run in five national women's magazines, but still plans to be a corporate sponsor of the next Miss America Pageant on Sept. 15 and participate in promotions.

Some 5 million copies of the September *Penthouse* featuring the 10-page portfolio of Ms. Williams' nude photos were rushed to newsstands earlier this week. Cover price is $4, $1 more than usual for the special issue, marking the monthly's 15th anniversary of U.S. publication.

The publicity over Ms. Williams' photos is a particular boon to *Penthouse* because more than 94% of the magazine's circulation comes from single-copy sales. For the six months ending Dec. 31, *Penthouse's* average single-copy sales were 3.3 million.#

Fonda garb not working out

By PAT SLOAN

New York—Jane Fonda Workout's sportswear and fitness garb, introduced by Capri Beachwear only this year, already may be running out of steam.

All advertising for the line is "on hold," said Jack Fiman, exec vp at Zimmerman, Gallanty & Fiman, Santa Monica, Cal. The line had been expected to get more than $2 million in ad spending this year via the agency (AA, March 26, *et seq.*).

About $800,000 has been spent, primarily for the initial April tv flight in 14 markets, Mr. Fiman said.

A substantial amount of clothing was delivered to retailers earlier this year, and "some of the stuff didn't sell," he said, adding that there are plans now to drop many of the sportswear designs and concentrate on exercise clothing such as leotards.

Asked whether the account was in jeopardy, Mr. Fiman said, "Only to the extent that they [may not] spend any money." He said his agency has submitted a trade campaign to the company and is waiting for Capri to okay it.

Century Factors reported last week that it expects to lose as much as $750,000 for the first six months of this year due to what it claims to be more than $4 million in losses on loans it made to Capri for the Fonda line.

Three other factoring companies—Ambassador Factors, Meinhard-Commercial Corp. and NatWest Commercial Services—have filed a Chapter VII bankruptcy petition here. The petition asks for the liquidation of Capri, which the factoring companies say has failed to pay money owed them. The three companies are seeking an amount totaling a little more than $171,000. The companies did not specify whether any of that money had been used on Fonda Workout clothes.

Capri president Ron Mester could not be reached for comment, but he is reportedly negotiating with new investors for a cash infusion to aid the Fonda line.

Mr. Mester has said the holiday line has been canceled as a result of late deliveries on the spring line.#

Bristol-Myers to syndicate tv show

By SUSAN SPILLMAN

New York—Bristol-Myers' "Alive & Well" fitness program, seen on cable's USA Network, will be syndicated to at least four major-market broadcast stations beginning in October.

The 3-year-old program, Bristol-Myers' first foray into cable program sponsorship, also will continue on the USA Network. Stations that already have agreed to carry "Alive & Well" five days a week—the same frequency it has on USA—are Metromedia's tv outlets in Chicago, Dallas, Houston and Los Angeles.

The series will be cut from two hours to an hour.

Pete Spengler, vp-advertising services, Bristol-Myers, said, "There will be little duplication between cable and broadcast coverage." The company is only looking to air the show in about a dozen major markets, he said.

The show is being syndicated on a barter basis by Orbis Communications. Six minutes per show will be devoted to Bristol-Myers products, while another six will be sold by affiliates.#

highlights

Thursday, July 26, 1984

Corporate America and more than 60 tv advertisers await the starter's gun for the 1984 Summer Olympics as anxiously as any athlete. *See Page 1.*

A shift in advertising emphasis is taking shape at McDonald's, from local to network tv. *See Page 1.*

Ride into an American heart of darkness with writer Kevin McManus, who accompanied the "bus-slotters" on a recent trip from New York to Atlantic City. *See Page 3.*

Philip Morris Inc.'s Marlboro Leisure Wear has asked three major agencies to pitch for its new multi-million-dollar campaign. *See Page 3.*

Chrysler is looking to Europe again after posting record profits. *See Page 3.*

N W Ayer, picked by the Commerce Department to revive a dormant overseas tourism ad program, sees a $719,000 development contract growing into a full-scale, multi-million-dollar campaign in fiscal 1985. *See Page 3.*

Who was the winner of the second annual Advertising Age "Advertising Music Award"? Here's a hint—all the "big boys" liked it. *See Page 5.*

Travel aboard the Queen Elizabeth 2 has changed only slightly in the past decades and is still the way to go, writes James Brady. *See Page 7.*

Keith Reinhard, Needham, Harper & Steers/USA chairman-chief executive officer, tells of his experience as a judge at the International Advertising Film Festival in Cannes. *See Page 9.*

Robert Petersen has managed to cultivate his personal interests into a giant publishing company, Petersen Publishing Co. *See Page 13.*

Some U.S. states are fighting the summer exodus of tourists to other countries by increasing their own marketing efforts to lure foreign travelers to their shores. *See Page 54.*

SPECIAL REPORT

Liquor marketers turn to brand identity and image to sell their products—a confusing process because some use similar images.

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at presstime

SmithKline unwraps new decongestant

Philadelphia—SmithKline Beckman Corp.'s Menley & James Laboratories is introducing Congestac decongestant/expectorant tablets in September. The rollout will be supported by $10 million in advertising and promotion. MCA Advertising, New York, handles.

Atari torpedoes media-buying department

Sunnyvale, Cal.—Atari Inc. has dissolved its New York-based media-buying department in the latest round of marketing cuts at the company (AA, July 16, *et seq.*). Departing are Rick Glosman, vp-media, and Robert Hanley, media director. Messrs. Glosman and Hanley have formed Creative Media, New York, a full-service media planning/buying and programing agency.

MECA puts brakes on ads for running software

Westport, Conn.—Micro Education Corp. of America has postponed indefinitely the introduction of a software program featuring running enthusiast James Fixx, who died July 21 of a heart attack while jogging. The Running Program, "personalized running guide" software, had been scheduled to ship in two weeks. MECA's print advertising featuring Mr. Fixx has been suspended after appearing in computer magazines and in the special Olympics issue of *Sports Illustrated*.

Tofu Time serves account to Levine, Huntley

New York—Tofu Time has chosen Levine, Huntley, Schmidt & Beaver as its first agency. The shop will handle the company's Tofutti soy-based frozen dessert. A revised figure (AA, June 25) puts ad spending for the item at $2.5 million.

● Englewood Cliffs, N.J.—**Konica Corp.** is reportedly considering moving its film division advertising to Calet, Hirsch & Spector from Levine, Huntley, Schmidt & Beaver. Konica films last year billed under $1 million.

● Oak Brook, Ill.—**McDonald's Corp.** has decided not to reopen its store in San Ysidro, Cal., site of shootings last week that left 21 slain. It has not been decided yet what will be done with the site, but the chain plans to open a new store elsewhere in the town.

● New York—**USA Network** is in discussion with its parent companies—Time Inc., MCA/Universal and Paramount Pictures—about providing exclusive movies and other programing for the basic cable network. The programing deals, expected to be completed within two weeks, would essentially create a new window for movies between pay tv and broadcast tv. In another move, USA Network's new "Cover Story" series, sponsored completely by Procter & Gamble, will be syndicated to broadcast stations. The half-hour show, which profiles show business personalities, also will continue running on USA.

● Memphis—**Federal Express** has broken a tv campaign in 12 markets for its new Zap Mail electronic mail service being introduced this month. The company will expand its campaign into more markets in August before going national in the fall. Ally & Gargano, New York, handles.

● Miami—**AmeriFirst Savings & Loan Assn.** has awarded its $1.5 million account to Ryder & Schild, ending its 6½-year tie to Caravetta Allen Kimbrough/BBDO. Both agency and client had admitted dissatisfaction with the relationship; AmeriFirst was Caravetta's largest account.

● Chicago—**Beatrice Cos.** will divest its Buckingham Corp. liquor division (AA, July 23) and four other businesses to help reduce the debt from its acquisition of Esmark Inc. The other businesses are Beatrice Chemical, Beatrice cookie and bakery operations, Beatrice food-equipment operations and Estech, which markets fertilizers. Indications are that R.J. Reynolds Industries, Winston-Salem, N.C., is interested in Buckingham.

● Framingham, Mass.—**CW Communications** in November will spin off from *Computerworld* a new monthly tabloid. *On Communications* will cover data and voice communications. Controlled circulation will be 60,000; a b&w page costs $5,750, and a color page is $6,625.

● New York—**Faberge** will air its first split 30-second commercials during the Summer Olympics via Nadler & Larimer. Half of Faberge's 16 minutes of Olympics ad time will go to regular commercials. The rest will be taken by split 30s featuring the company's Organics haircare line along with either Babe antiperspirant or Brut antiperspirant.

● Houston—**Coca-Cola Co.'s** foods division, which is supplying Minute Maid apple and orange juices at the Summer Olympics, has placed a pull-out insert in the July 28 *TV Guide*. The insert highlights the events of the summer games in Los Angeles and includes cents-off coupons for Coca-Cola foods products. Marschalk Co. handles.

● **NEWSLINE: Southwestern Bell Telephone Co.**, St. Louis, has begun a $5 million ad campaign for its new Tele-Help program, targeting the 83% of its customers it says are still confused about the breakup of AT&T. Newspaper, radio, supplement and tv ads via D'Arcy MacManus Masius promote an 800-number. . .**Bridgestone Tire Co. of America**, Torrance, Cal., "is getting close" to selecting a new agency for its $5 million-to-$7 million account after reviewing presentations of four or five agencies (AA, July 9), a spokesman said. Old agency Dancer Fitzgerald Sample resigned effective Oct. 8. . .**Inacomp Computer Centers**, Troy, Mich., says that it will enter the Chicago market in September with a suburban store followed by the October opening of an outlet on fashionable Michigan Avenue. Inacomp has 33 units in California, Canada, Georgia, Florida and Michigan. . .**Titsch & Associates**, Denver, is being reorganized into two separate divisions: Special interests, for publications with specific target audiences, headed by president Robert Weiber, and consumer, headed by president Douglas Hanes. . .**Panther Car Co.**, a Korean-owned company based in England, will start producing small sports cars in Long Beach, Cal., and in England in late 1986, *Automotive News* reports. . .**Times Mirror Videotex Services**, Santa Ana, Cal., says it has more than $1 million in ad commitments for the first year of Gateway, its consumer videotex service scheduled to start in September. . .**Boyle-Midway** division of American Home Products is testing Radiant liquid bathroom cleaner in Kansas City, Mo. Print and tv support the test. Kornhauser & Calene handles.

Special Report

Ted Gadecki

Bursting through the clutter

It's a bottle-and-glass jungle out there. Everywhere you turn, some liquor bottle is blasting off an outdoor board or pouncing from a magazine page.

Like some whiskies, the messages begin to blend; it becomes quite difficult to distinguish one distilled spirit from another. What often comes through is a cry of "Drink me, drink me!"

And what's lost is brand identity.

According to Graham Walsh, vp-marketing director at New York-based Schenley Imports Co., the premium liquor segment is "selling fashion, not beverage." And like fashion marketers, distillers and distributors mostly rely on image and identity to sell their products.

The difficulty is that many marketers seem to have latched onto the same image. How can a Canadian whisky corner the clear sky and water identity when its competitors illustrate their image in the same manner? "Pull the headline off of a dozen liquor ads and put them on any other and you won't be able to tell the difference," says one agency executive who handles liquor accounts.

Compounding this problem is media clutter. Governmental and self-imposed restrictions limit liquor ads' placement to a few select media—magazines, outdoor, newspapers, point of purchase. Also the seasonality of many brands shifts ad placement to the same time of year. Look through a December issue of many magazines and you will be bombarded by liquor brands' messages.

Those messages also are being scrutinized more critically by more people. The recent furor about drunken driving is spawning an ever-growing number of lobbying groups attempting to pull liquor ads out of the few media outlets they can use. Consider the health-consciousness of America and the size and receptiveness of a liquor advertiser's audience diminishes further.

So, it's a tough life for the distilling crowd, and spirit sales show it. According to *Impact*, a wine and spirits newsletter, shipments of distilled spirits have regressed to pre-1975 levels. And as sales have faltered, ad expenditures have declined. *Impact* reports that the 20 leading liquor brands' ad budgets were cut 11% in 1983, and the top 10 distilled spirits advertisers reduced their ad spending by an almost identical 11.1% from 1982 to '83.

Some marketers say they have not reduced ad spending, but shifted it from media to point-of-purchase and promotions. Couponing also has become quite popular to stimulate trials.

"Without point-of-purchase support, you really can't establish a presence on the retail floor," says Victor Zast, director-marketing for James B. Beam Co., Chicago. "But it's not a vehicle for building brand loyalty. People basically know what they're going to buy before they enter the store. They may buy peanuts on impulse, but they're not going to buy a spirit because it has an attractive display."

Research from the Point-Of-Purchase Advertising Institute, Fort Lee, N.J., backs up Mr. Zast's contention. The "1983 POPAI/DuPont Drugstore Consumer Buying Habits" study indicates that the in-store decision rate for liquor purchases is 42.31%, which is lower than the study average.

"Advertising works," Mr. Zast says. "Liquor brands are consumer driven. When someone buys a spirit, they're buying more than taste. They're buying fashion, value and status, and the best way to appeal to those considerations is through print."

And so the elusive search for the message in the bottle continues.

Using soft drinks' hard sell

Windsor Canadian is showing that comparison advertising can sell beverages more potent than soft drinks. In a series of taste-test ads, Windsor Distillery Co., New York, is taking on brand leaders Seagram's V.O. and Canadian Mist with its "Windsor Challenge" ad campaign.

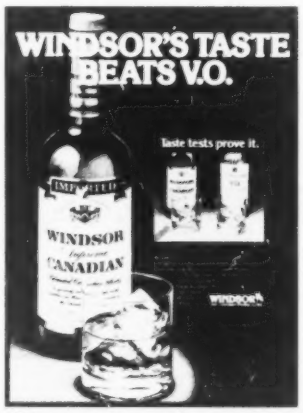
Understandably, the competition is upset. "I'm sorry to see comparative advertising. I'd rather say something good about my brand than knock somebody else's," says C.R. (Bud) Ballard, Canadian Mist's senior brand manager.

Another brand manager criticizes the ads for not revealing the testing agency or survey methodology.

"We did some soul searching before we began the campaign," says Emil A. Pavone, vp-public relations, National Distillers Products Co., New York, the parent company of Windsor. The taste test was the idea of a former brand manager who conducted tests on blindfolded customers.

"At first we weren't all that enthusiastic about the idea. We knew it was successful with soft drinks, but we weren't sure it would be successful with whisky," Mr. Pavone says. "We decided it was something that customers could establish for themselves."

The approach was selected both because it is novel for Canadian whiskies and because it highlights the quality and price of Windsor against top-selling brands.



Windsor Canadian is borrowing a technique from soft-drink advertising by comparing itself to rivals.

"We had tried most of the ad strategies that were successful in the Canadian whisky field," Mr. Pavone says.

Despite the lack of information about the taste tests in the ads, the campaign helped boost Windsor's sales 1% in 1983, while sales of most other Canadian whiskies stagnated or declined.

A major limitation of taste-test advertising is that it has to react quickly to changes in formulation of the products against which it is tested. This can become quite difficult when media centers on print and outdoor advertising and in-store promotions.

For instance, Windsor found itself in the lurch last year when Seagram's reformulated V.O. to 80 proof from 86 proof. Windsor "had to run the tests all over again," Mr. Pavone says.

Advertising had to be redone and media placement was halted for several weeks. "In a situation like that, you want to react quickly and can't," he says. "Certain media just don't lend themselves to instant changes."

Brand managers at Windsor declined to say whether the brand comparisons would continue or whether Windsor would compare itself with any other brands. Mr. Pavone says anything could happen. —*R.E.*

Major effort to woo minorities

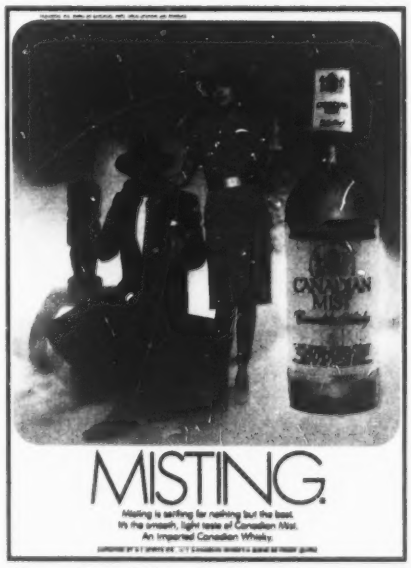
Reaching minority markets is critical for Canadian whiskies, which are looking to expand their customer base in the rapidly declining whisky category. Targeting Canadian whisky advertising to minorities can be as simple as finding an ethnic model or as complex as delving into the buying motivations of many separate pockets of consumers.

"I don't believe there is such a thing as *a* black market," says Walter Haimann, president, Seagram's Distillers Co., New York. The market may be fragmented into age categories, income levels, geographic location and a host of other factors.

"We're going to appeal to each of these groups with different messages," he says. "You wouldn't run the same thing in *Black Enterprise* as you would in *Ebony* or *Jet*." Mr. Haimann says the same theory applies to Hispanic and other minority groups.

Reasons for such targeting can be found in the size of the minority market. For instance, Mr. Haimann says minorities account for about 10% of Seagram's V.O.'s sales, which totaled 3.5 million cases in 1983, according to *Impact*. Seagram's gin also happens to be the No. 1 spirit in the black market, Mr. Haimann says, explaining Seagram's attention to the minority market.

Seagram is not alone, however; other marketers also pay close attention to these market segments. Louisville, Ky.-based Brown-Forman Corp.'s approach in selling Canadian Mist to blacks is typical of many companies' efforts. Because the image-oriented "Canada at its best" campaign, which features photos of the untamed wilderness, does not carry the same meaning for most urban blacks as it does for other consumer markets, Brown-Forman uses a life-style approach, says C.R. (Bud) Ballard, senior brand manager.



Canadian Mist uses sophisticated models when targeting blacks.

"Most blacks who like Canada enjoy the night life. The mountains and woods are not as appealing, especially to younger black consumers," Mr. Ballard says. Brown-Forman's "Misting" campaign, which began in 1974, features models in fashionable, expensive clothes, surrounded by a cool mist.

Similarly, Heublein Spirits' Black Velvet reaches out to Hispanic markets with a simple translation of its "Feel the Velvet Canadian" campaign, says Martin Tazzani, marketing manager.

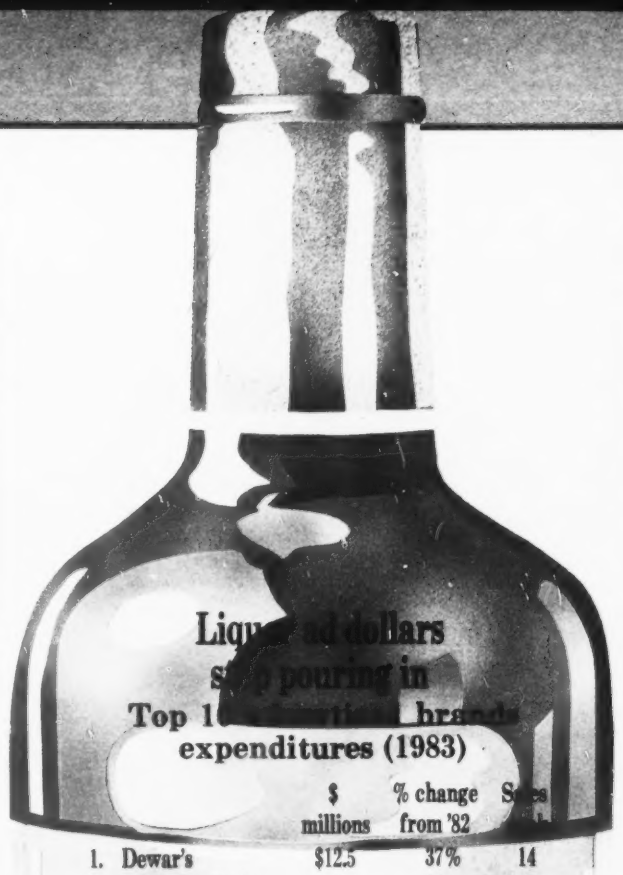
Each year, the Hartford, Conn.-based importer hosts "Miss Black Velvet Latina" contests in Los Angeles and San Francisco. The winners become the brand's spokeswoman—making personal appearances and modeling in print and outdoor ads—in California's Hispanic communities.

Canadian Club targets both Hispanic and black markets, portraying the brand as "part of the leading edge" in fashion and sophistication, says Stephen Nadelberg, senior vp-marketing at Hiram Walker, Detroit.

"Culturally, the markets are different. You have to hit the right emotional chords," he says. The extent to which a brand can segment its minority markets is limited, Mr. Nadelberg says.

"We're not planning to target senior citizens," he says. "We do not have a prune liqueur."

—*R.E.*



Liq[illegible] ad dollars s[illegible] pouring in Top 1[illegible] brands

expenditures (1983)

		$ millions	% change from '82	Sales
1.	Dewar's	$12.5	37%	14
2.	Canadian Club	10.8	−14	9
3.	Smirnoff	10.2	3	2
4.	Bacardi	7.9	−9	1
5.	Seagram's V.O.	7.8	−35	7
6.	Canadian Mist	7.3	−20	5
7.	Johnnie Walker Red	7.3	−4	24
8.	Seagram's 7 Crown	7.2	−33	3
9.	Beefeater	7.1	16	31
10.	Windsor Supreme	6.8	−7	10

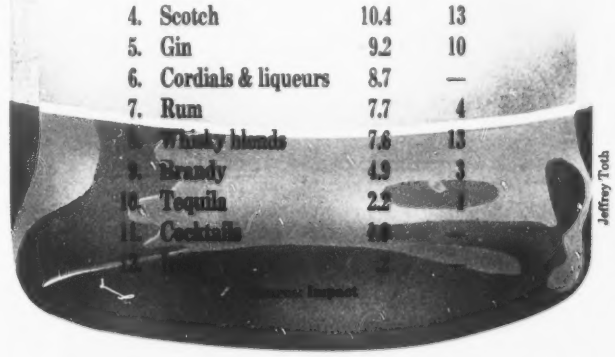
Top 10 distilled spirits advertisers (1983)

		$ millions	% change from '82
1.	Seagram & Sons	$67.9	−22%
2.	Hiram Walker	29.8	−12
3.	Heublein Spirits	24.5	−10
4.	IDV (Grand Met)	24.4	1
5.	Schenley	22.6	10
6.	Brown-Forman	22.1	−24
7.	National Distillers	19.4	−5
8.	Somerset	18.7	−5
9.	Bacardi	9.7	−3
10.	Kobrand Corp.	8.1	21

Case in point

Share of market

		1983	1975
1.	Vodka	22.6%	20%
2.	Bourbon	12.8	17
3.	Canadian	11.9	11
4.	Scotch	10.4	13
5.	Gin	9.2	10
6.	Cordials & liqueurs	8.7	—
7.	Rum	7.7	4
8.	Whisky blends	7.6	13
9.	Brandy	4.9	3
10.	Tequila	2.2	1
11.	Cocktails	1.8	—



Jeffrey Toth

Distillers try to stir up interest in premix market

By Eileen Norris

In the land of liquor, premixed cocktails make up only a munchkin's worth of the population—no disrespect intended toward the little guys. Still, that 2% of the market is trying not to get clobbered by the liquor giants in the industry.

It's no easy existence. In this get-it-done-now age, premixed cocktails would seem to have a lot going for them; no muss, no fuss, just shake and pour. Add in the popularity of mixed drinks, sweet drinks in particular, and the recent fury over drinking in moderation, and one must wonder why more people aren't buying the generally sweet, lower-proof premixed cocktails.

> **"Some of our competitors do not advertise much and frankly, it would really help the over-all business if they did."**
>
> *Edwin Gualtieri*
> *Heublein*

Some critics contend the cocktails are underpromoted, saying advertising appears only when a new flavor is launched, disappearing soon after, minimizing brand awareness. Others say the products' market is so minuscule that no one should expect much of it.

Expectations may be justifiably low. Mixed cocktail sales have been going down for quite a few years. Purchases in 1983 declined about 5%, but on paper the industry saw an 8.3% increase over 1982, thanks to shipments of new items, says Ben W. Corrado, a liquor consultant in Pompano Beach, Fla., and author of the "Wine and Spirits Marketing Bulletin" for the advertising department at *U.S. News & World Report*. But even 1983 sales look good when compared with the 13.6% decline in cocktail sales the year earlier.

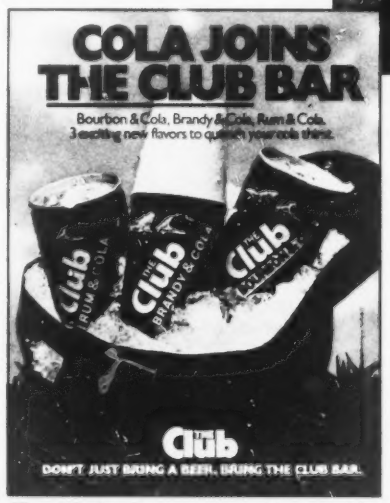
Mr. Corrado says he thinks sales will move up in 1984. By keeping tabs on what consumers are ordering in bars and restaurants, the cocktail industry constantly is developing and introducing new drinks that are hot in the onpremise market.

Three of the category's major players—Heublein Spirits, Hartford, Conn., which markets premixed Heublein Cocktails in bottles and the Club Cocktails in smaller cans and bottles; Schenley Distillers Co., New York, which distributes Cocktails For Two, and Glenmore Distilleries Co., Louisville, Ky., which offers its Mr. Boston Prepared Cocktails—are in a battle to outmix and outintroduce one another.

All are rolling out drinks such as Long Island tea, a 25 to 42 proof concoction that is very popular in the summer, and the tequila-based sombrero. And they're coming up with new versions of some old standbys, such as the strawberry daiquiri, pina colada, margarita and the Bloody Mary.

The distillers won't say if or how they plan to back up new introductions with advertising, but if 1983 activity is an example, agencies' hopes of promoting these products may prove dim.

The top premixed cocktail companies spent only $1 million in magazine advertising during the first nine months of 1983; that's a 25.3% budget cut from the amount spent during the same period a year earlier.


COLA JOINS THE CLUB BAR
Bourbon & Cola, Brandy & Cola, Rum & Cola.
3 exciting new flavors to quench your cola thirst.
Club
DON'T JUST BRING A BEER. BRING THE CLUB BAR.

Heublein hopes to attract the young and active drinker with its convenient Club cocktail.

Heublein, the market's leader with a 55% share, altered its marketing mix, pumping more dollars into outdoor boards, says Edwin Gualtieri, group marketing director. "Some of our competitors do not advertise much and frankly, it would really help the over-all business if they did."

Schenley's Cocktails for Two, the category's No. 2 seller with about 20% of the market, uses slick, colorful ads in *People* and other consumer books, says Sheila Spicehandler, group product manager. "More money is being spent on advertising every year," she says, "but I can't say how much."

Cocktails for Two, the No. 2 seller in the premix cocktail category, is increasing its ad spending.

Glenmore advertises very little for Mr Boston Prepared Cocktails, says James McKee, brand manager. "Quite honestly, we're not the No. 1 guy on the block, and we can't afford to go after the competition and spend money like they can," he says. Liquor consultant Mr. Corrado says Glenmore has only between 8% and 10% of the premixed market.

Mr. McKee says in-store promotions to boost awareness are the best place for his ad dollars. That philosophy is shared by Schenley, and to a lesser extent, Heublein.

"The cocktail category recognizes we don't have the consumer awareness of a bourbon or a tequila," Heublein's Mr. Gualtieri says. "It's one of the things we shoot for when we're developing a new ad campaign. The other thing is, we're just not that large a part of the distilled liquor business."

The main consideration for distillers these days is whether to put ad dollars in the media, instore promotion or both. Because prepared cocktails are thought to be an impulse buy—and because sales often don't justify massive media expenditures—much is spent at the retail level.

Heublein, for example, provides retailers with $200 display racks to position the cocktails prominently.

"It's expensive, but we want good retail presence and we want the product visible," Mr. Gualtieri says.

Cocktails for Two's Ms. Spicehandler says a total marketing effort, not just an ad campaign, is necessary to capitalize on the impulse-buy appeal of its brand. "We support the brands at the point of sale with instore promotions for shelves and the cold box," she says. "We have a Cocktails For Two Party Center concept where we cross-merchandise cocktails with high profit snack items, all of which helps stimulate increased sales." A Party Survival Kit helps customers with party planning and serving suggestions.

Schenley also has decided to pay more attention to women consumers. Thus, "The Women's Market" newsletter was born, advising retailers on how to merchandise to women on the go, how to design workable promotions and how to win the female's loyalty to particular brands.

While Glenmore promotes its Mr. Boston line with free-standing displays, it is most proud of the "Mr. Boston Official Bartender's Guide," 9 million of which are distributed to most liquor stores, bars and restaurants. "It helps with our brand support," Mr. McKee says, "but as an industry, we can do a much better job with consumer awareness."

To define those consumers' purchase criteria, Schenley surveyed 1,000 consumers in six cities and found that taste and convenience were most important to its target group, which Ms. Spicehandler describes as all 80 million cocktail users in the U.S. Glenmore's Mr. McKee says his market audience consists of the baby boomers, who seem to respond well to impulse products that make life easier.

Heublein draws two different kinds of people to its products, Mr. Gualtieri says. One is young and active; probably the typical beer or wine drinker attracted to the convenience of the Club cocktail in ready-to-pour cans and bottles. To entice that segment, Heublein advertises "Don't just bring a beer. Bring the Club Bar."

The other individual Heublein approaches is older; he is the consumer who enjoys drinking at home, but may not be fond of mixing ingredients in a shaker, Mr. Gualtieri says. Heublein more often than not sells its regular 24-oz. bottle to this consumer.

(Continued on Page 42)

The incidence of prepared cocktail use is highest among . . .

- Females
- Consumers age 18 to 24
- Those who have attended college
- People working in clerical/sales positions
- Households with annual incomes of $15,000 to $19,999
- People residing in the West

Prepared cocktail users say they are economy minded, brand switchers, impulsive buyers and style conscious. They are skeptical of advertising claims and are not particularly brand loyal.

Source: "Simmons Market Research Bureau: 1983 Study of Media and Markets"

Eileen Norris, a frequent contributor to Special Report, wrote about promotional campaigns in last year's Special Report on Liquor Marketing.

Quicker Liquor
Send a gift of wine or liquor anywhere
Order Toll Free
1-800-CHEER-UP
Major credit cards accepted
Nationwide Gift Liquor

YOUR NICKEL GETS A FULL SHOT IN BUFFALO

Here's a surprise. Buffalonians spent 16% more than the U.S. average on retail eating and drinking sales development in the Buffalo CMSA during 1982. And, with one issue, the daily Buffalo News reaches 73% of adult men in the CMSA . . . 78% on Sunday.

Buffalonians enjoy a good time.
And no one covers Buffalo like The News.

Surprising
THE BUFFALO NEWS
Call Bill DeTine (716) 849-3425

Source: Scarborough Research, 1983.
Sales & Marketing Management Survey of Buying Power, 1983
Represented nationally by Sawyer-Ferguson-Walker Company, Inc.

Premix

(Continued from Page 41)

Heublein's second target consumer group is the one that Sam Haas, owner of Worldwide Promotion Co., sees at his liquor retail and distribution store in Chicago.

"Our buyer is generally the older person; probably upper blue-collar class and retired. We sell a lot of the half-gallon premix," he says.

Not surprisingly, prepared cocktails are a small portion of his liquor business, but, Mr. Haas says, "so are a lot of other items." He says he could sell even more bottles of premix if the distillers provided more advertising and more instore promotion.

"Anything will sell based on promotion and advertising, but some of those distillers don't think they have to do anything to sell their product," Mr. Haas says.

"There's room for premixed cocktails, mainly because a lot of people out there don't know how to mix a drink or don't want to be bothered with the process."

Still, Mr. Haas questions why some distillers, such as Heublein, stress only convenience and not taste in promoting and advertising its brands of premixed cocktails.

To that Heublein's Mr. Gualtieri answers: "We don't stress taste because we do stress that the drink is refreshing and easy to use. Taste is important, but stressing convenience is most appropriate. The best ads are the most highly focused."

Cocktails For Two, however, tackles both taste and convenience in its ads.

The newest advertising campaign uses a gatefold layout with the lead-in: "Making a perfect pina colada is as easy as turning the page." Under the gatefold, another headline reads: "It doesn't take practice to make it perfect."

"Making it perfect," so to speak, may be part of the category's problem, according to consultant Mr. Corrado.

Consumers really can't add or delete anything to or from a premixed drink, especially if they buy for out-of-home consumption.

"We're a country of fussbudgets," he says. "People like to prepare their drinks as they like them and that is a tough obstacle to overcome." Heublein says it tries hard to match a flavor combination with what most people like.

Even in warm weather—when the drink-on-the-run-in-the-sun factor would seem to favor premixed products—no real surge in cocktail sales occurs. Distillers say their business operates year-round, and that they can't rely on summer sales. Heublein, however, says Sunbelt states account for 70% of Club Cocktails sales, but, like its competitors, Heublein says premixed cocktails are just as popular at tailgate parties in the colder weatheras they are for picnics in July.

Distillers also generally discount the impact of the trend toward lighter, more moderate drinking. However, premixed cocktails, most of which are 20 to 42 proof, should benefit from America's new-found moderation.

Mr. McKee says consumers want a lower proof cocktail. "People like to consume, but in moderation. I think it's the future of premixed cocktails," he says. "It's the healthier, more modern approach."

A mixed up market

Top 10 premixed cocktails

	Cases sold (000) Jan.-Nov., 1983	% change from Jan.-Nov., 1982
1. Pina colada	64.1	−11.6%
2. Manhattan	31.5	−3.8
3. Whisky sour	24.0	−5.4
4. Margarita	21.5	8.4
5. Brass monkey	19.0	−5.0
6. Screwdriver	17.6	−4.5
7. Martini	13.3	−4.7
8. Strawberry daiquiri	10.3	23.3
9. Strawberry colada	9.7	−1.5
10. Black Russian	8.5	−5.4

Source: U.S. News & World Report, "Wine and Spirits Marketing Bulletin"

Mix and match

Okay all you closet bar stool sophisticates, here's your chance to show you know a Green Lady from a Green Dragon from a Green Mist. If you can, identify the primary type of firewater residing in each of these well-known drinks.

To make it easy, here's a hint: Of the 10 drinks listed, rum is the base of two, and rye, bourbon, whisky, gin, scotch, cognac, Gailliano and vodka are the active ingredient in each of the other drinks.

1. Manhattan
2. Mint Julep
3. Old Fashioned
4. Tom Collins
5. Rusty Nail
6. Sidecar
7. Zombie
8. Harvey Wallbanger
9. Daiquiri
10. Golden Cadillac

Scoring System: All 10 correct, exbartender; 8 to 9, check your liver; 5 to 7, bar stool in your tavern has your name on it; 3 to 4, social drinker; 0 to 2, change your name to Shirley Temple.
(Answers listed on Page 51)

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Advertising Age

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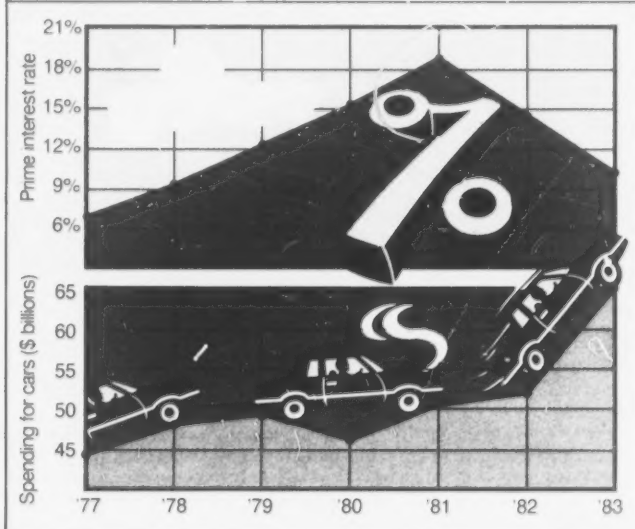
$1.25 a copy; $52 a year *The International Newspaper of Marketing* *Monday, July 30, 1984*

High-interest marketing

Auto sales are just one example of a rough axiom: When interest rates go up high enough, sales tend to take a dip. Chart by Steve Musgrave. *Source: U.S. Department of Commerce.*



How high is up?

An Advertising Age roundup

With each tick of the economic clock, interest rates register another gain. Now the question—for clock-watchers in the marketing industry—is whether the ticking represents a time bomb or just some annoying static.

For now, many executives are banking on the latter, an Advertising Age survey of a swath of industries indicates. But the memory of the early 1980s, when rates reached 20%, is burnished deeply into each executive's psyche. The prime rate now stands at 13%, up from less than 12% just three months ago. Mortgage rates have leaped past the 15% mark. And auto loans hover in the 14% range.

What follows are overviews of how high rates and the anticipation of even higher ones are affecting different business segments.

Bill payment tops agency list of worries

Just the memory of high interest rates early in this decade is enough to give ad agency executives headaches.

It's not that the agency business is in anguish now; to the contrary, figures indicate that the industry is going through a period in which it can enjoy counting profits.

But lay out the prospects of high interest rates and their potential impact—late payments, cutbacks in client budgets, slowdowns in new-product introductions and an over-all drag on financing various agency operations—and agencies grow a bit restive.

Of all the problems, agency executives say, the biggest is the delay of client payments.

An agency is "between a rock and a hard place," said Robert Wise, exec vp-chief financial officer and treasurer of Kornhauser & Calene, New York. "Because of the client relationship, you can't charge interest on late payments back to the client. Agency-client relationships are so tenuous at best, and there's always another agency willing to take the business on."

So what's an agency to do?

"The key is to manage cash flow more effectively and keep your cash position up," said Eugene Beard, exec vp-chief financial officer, Interpublic Group of Cos.

Mr. Beard raised the holding company's cash position from about $35 million, where it was

(Continued on Page 56)

Mondale ticket plots issue vs. issue attack

By MARK LIFF

Scrapping the primary election strategy of attacking the man and not the issues, Walter Mondale's campaign is forging a battle plan that will emphasize the topics it considers vital to all Americans: The future of the family, the impact of the deficit, education budget cuts and arms control.

The media fight behind the race for the White House thus will be issue versus issue. The Reagan-Bush '84 campaign's creative group, the Tuesday Team, has said it is preparing an "issue-oriented strategy" to compare the incumbents with the Democratic party's Mondale-Ferraro ticket.

The revamped Mondale strategy will be revealed this week in Washington, where the Democrats' media team plans to open an office a half block from the Mondale campaign headquarters. Richard Leone, former New Jersey state treasurer and Mr. Mondale's campaign director in that state, will play a major role in determining the focus of the new strategy, according to campaign sources.

An expanded creative team, similar to the Tuesday Team, will be

'84 Marketing the CANDIDATES

formed to map the drive. No target date for the first round of Mondale media spots has been set, although sources indicated they might begin shortly after the Republican national convention in Dallas, which begins Aug. 20.

All creative and media buying operations will be directed from the new office. Roy Spence, the 35-year-old chief media strategist for the Mondale camp, will move his political operations to Washington from Austin, Tex., after having successfully handled Mr. Mondale's primaries media drive. Mr. Spence, a Texas adman, is exec vp of GSD&M in Austin.

In an interview last week, Mr. Spence provided a glimpse of the campaign's general outlines. He said, for instance, that Geraldine Ferraro, Mr. Mondale's running mate, will play a prominent role in promoting the ticket. He rejected contentions that either her New York accent or image might limit her marketability in certain sectors of the country.

"She adds a dimension to the campaign that opens up a whole new avenue of opportunity," Mr. Spence said. "We have a presiden-

(Continued on Page 71)

Ally spot heavy on sentiment

Polaroid goes for heart

By GAY JERVEY

Ally & Gargano's first campaign for Polaroid could take a tug at the heartstrings as it strives to sell the intrinsic benefits of instant photography.

A new spot features a moment many mothers will recall nostalgically: Her child's first day at school. In the commercial, a little boy bids good-by to his mother, gets on the school bus, opens up his lunchbox and finds a picture of mom, with the words "I love you."

New York-based Ally also is said to have prepared an ad for Polaroid film, currently being tested for initial recall, that involves a family witnessing the arrival of extraterrestrials and, much to their dismay, not having film to record the event. Details of other Ally executions are not known.

Polaroid, Cambridge, Mass., is scheduled to announce its plans this week, and the ads are slated to air a few weeks later. But the campaign that reportedly helped turn the tide to Ally in the recent creative runoff with rivals Ogilvy & Mather and the 30-year incumbent, Doyle Dane Bernbach (AA, July 23), had strong sentimental appeal—if relatively low scores on recall testing, sources say.

According to the original parameters of Polaroid's agency competition, the scores the trial ads garnered on recall tests—an area of increasing importance to Polaroid's marketing team—were critical in determining the winner. The Ally ad is said to have been the hands-down Polaroid favorite, even though DDB's ads scored a bit higher, sources say.

Although Ally's work will be revised slightly before airtime in the ongoing effort to improve recall test

(Continued on Page 70)

last minute news

Hamlin jumps to Dr Pepper marketing slot

Dallas—Dr Pepper Co. has named Robert Hamlin its vp-marketing. Mr. Hamlin, formerly vp at Young & Rubicam, New York, succeeds William Schermerhorn (AA, April 30), who left the company. Mr. Hamlin has been the Dr Pepper account supervisor at Y&R since 1978. During that time, the "Be a Pepper" and current "Hold out for the out of the ordinary" campaigns were created.

RKO suspends controller Musumeci

New York—RKO Radio Networks controller Frank Musumeci has been suspended with full salary as the company continues probing a $4 million error in overcharging advertisers (AA, July 9). Earlier, Ken Harris, director-affiliate services, was suspended to facilitate his cooperation with the investigation. Lawsuits related to the incident are expected soon.

Wragg becomes ad sales director for 'Life'

New York—*Life* has named Alan Wragg advertising sales director. Formerly eastern sales manager at the magazine, Mr. Wragg succeeds Charles (Carky) Rubens II, who becomes advertising sales director, *Money*, succeeding James Hayes, who has become publisher at *Discover* (AA, July 23, *et seq.*). Mr. Hayes' move to *Discover* is only one of a spate of personnel changes swirling through that Time Inc. magazine (*see related story on Page 8*).

(Continued on Page 8)

Bates may share more Coke lines

By NANCY GIGES

New York—Coca-Cola USA is planning to assign Mello Yello, Mr. PiBB and Ramblin' root beer to Ted Bates Advertising/New York, along with Fresca (AA, July 23), according to sources close to the company.

A spokesman at Atlanta-based Coca-Cola would not comment on the report. Sergio Zyman, senior vp-marketing, did not return phone calls.

However, Mr. Zyman spent several days last week in New York. Earlier, a company spokesman acknowledged there have been talks about assigning Fresca to

(Continued on Page 70)

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Outguns fast-food rivals

Upfront buys Big Mac coup

By BRIAN MORAN and CRAIG REISS

NEW YORK—If it were a game of chess, McDonald's Corp.'s network tv upfront strategy would be called "end game."

By moving into the prime time upfront market with more than $80 million—latest reports from network sources put the McDonald's upfront buy at as much as $95 million—the company has climbed to an overwhelmingly dominant position among fast-food chains on network tv (AA, July 26).

None of its competitors can consider even trying to match the weight of McDonald's in network tv, and Burger King Corp., its prime rival, has all but conceded the contest.

"There's not much I can do about it," said Don Dempsey, senior vp-marketing director of Miami-based Burger King. "We're always competing at a tremendous disadvantage with [McDonald's] because they have so many stores."

Consider Burger King's plight: It plowed $23 million into network prime time upfront spending for the 1983-84 broadcast year but was outspent by more than 2 to 1 by McDonald's, which came in with $50 million.

For the coming network season, Burger King increased its upfront budget an impressive 22% to about $28 million. But even with that hefty increase, Burger King will now be outspent on network by McDonald's at a more than 3-to-1 ratio.

The more it spends, the farther Burger King falls behind.

"If they're going to outspend us

(Continued on Page 66)

Fall fashion fantasy

Norma Kamali's "Fall Fantasy" videotape is being pushed to air on MTV not as an ad but as art. *(See story on Page 70.)*

Final rule on substantiation voted by FTC

By STEVEN W. COLFORD

WASHINGTON—After a turbulent past, the Federal Trade Commission's review of ad substantiation policies came to a quiet, almost harmonious, end last week with adoption of a policy refining its position that advertisers must have a "reasonable basis" for objective ad claims.

As an added bonus for advertisers, FTC at the same time overruled its junior staff and halted a long-pending rule making that would have forced antacid advertising to include side effects warnings that now appear only on the product label. The antacid rule originally was seen by FTC staffers as the first step toward applying the rule to all over-the-counter drugs.

Ad industry leaders immediately praised the new substantiation policy statement as a useful clarification of how FTC will enforce the substantiation rule. The industry, alarmed by the threat of major changes in the policy, had lobbied hard to convince FTC chairman James Miller not to tamper with the fundamental requirement that advertisers have support for the claims in hand at the time the claim is made.

The ad substantiation policy the FTC commissioners

(Continued on Page 71)

Magazines rap Ford for 'rate busting'

By RALPH GRAY

DETROIT—Ford division's latest plan for concessions from magazines will bust their rate cards, several publications charge.

The warnings sprout from two requests, said magazine marketers, that requested anonymity. The division of Ford Motor Co., Dearborn, has asked for increased emphasis on multiyear rate protection and less emphasis on merchandising awards. The former would protect Ford from annual rate increases or delay those hikes; the latter would reduce funds used for merchandising awards, in which the advertiser and magazine stage joint promotions, in favor of more ad space in the magazines.

Ford division declined comment last week on its plans for 1985.

"Whatever Ford negotiates will be put under a microscope, and magazines will make it available to everybody," said Gene McCarthy, senior vp-executive director of media services at BBDO, Southfield, which handles Chrysler Corp.'s Dodge models.

"We will not do multiyear; we aren't planning on freezing rates," one magazine executive said. Another called turning merchandising credits into ad credits "rate cutting. We can't do that."

"If they don't spend their merchandising allowance on merchandising and instead it is subtracted from space rates, you are obviously reducing your rates, and that is a rate-card bust," one magazine veteran said. "There is something to be said for both the publication and advertiser benefiting from rate protection. The publisher benefits from a commitment, but the bottom line is he receives less revenue because he's working off the last rate card."

Rate protection would be a little difficult anyway because Ford wants it to be based on the auto maker's model year—October to October—though the magazines usually run on calendar years. Ford, in effect, wants to lag any rate increases, always running one rate card behind, a magazine executive said. And that's a "rubber rate card," he said.

One magazine marketer said that he interprets the requests via J. Walter Thompson USA, Detroit, as simply "asking us to make sure they get the best discount and give the best position. My rate card is my rate card. This isn't rate busting."

But his publication does not have multiyear rates, though some publications do, and his book does not offer merchandising awards.

Ford's '85 "magazine planning requests" include a "positioning package consisting of second cover spreads, third and fourth cover pages and franchised positions opposite most-read editorial," said a Ford letter to publications. It also calls for "innovative discounts, network pricing, multiyear commitments, etc."

Under the heading of merchandising, the Ford letter says that "rather than merchandising awards, we would prefer receiving additional space."

Ford division also has cut 31 magazines

(Continued on Page 71)

highlights

Monday, July 30, 1984

Oscar Mayer is making its first concerted move into the retail frozen-food market with packaged, stuffed ground-beef patties. *See Page 10.*

Strong mail-order companies led a comeback last year for catalog sales for general merchandise. *See Page 14.*

Dayton Hudson has begun to roll out a new chain of discount bookstores, and that has independent bookstores ready to act. *See Page 28.*

Industry observers say K mart's acquisition of Waldenbooks Co. is a good match. *See Page 28.*

In a new column, Personal Privilege, media buyer Walter Staab writes about what happens when marketers move their media buying in-house. *See Page 53.*

Omnicare, a Manhattan-based private dental practice, has managed to double its business with its use of direct mail and direct-response print advertising. *See Page 53.*

CORPORATE CLOSEUP

Kaypro Corp., which took the computer market by storm in 1982 with its low price, utilitarian models, now faces a challenge—what to do as the computer market becomes more sophisticated. *See Page 4.*

INTERNATIONAL

British men soon may be bombarded by an avalanche of new magazines similar to *Esquire* and *GQ*. Several publishers consider the U.K. ready for the launch of general-interest men's magazines, in the wake of an advertising revenue gap left by declining sales of "skin" magazines. *See Page 38.*

A.C. Nielsen Co. in Mexico, after nearly two years of planning, will test a tv audience-measurement service here this year despite a lack of commitment from Mexico's most powerful private tv monopoly, Televisa. *See Page 38.*

The European Broadcasting Union hopes to get a 5% to 10% reduction in the $19.8 million fee it paid for the rights to the 1984 Summer Olympics due to the Soviet Union's boycott of the Los Angeles games. *See Page 39.*

Britain's Music Channel has launched a pan-European satellite tv program of rock videos, called "Music Box" (based on MTV: Music Television in the U.S.), which will compete with Rupert Murdoch's Sky Channel. *See Page 40.*

VIDEOTECH

Cable News Network and C-SPAN were among the stars at the Democratic national convention in San Francisco. *See Page 48.*

ABC's "Closeup" unit won a commitment from the network to produce and air three three-hour news documentaries in the coming months. *See Page 48.*

Executives from CBS and China Central TV have reached a barter agreement on the CBS programing that will be shown to Chinese audiences starting in December. *See Page 49.*

COMING THURSDAY

SPECIAL REPORT

Professional sports has become big business for both athletes and team owners. They're all polishing their marketing styles.

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College tv grid prices cut in half

By ROBERT RAISSMAN

NEW YORK—ABC and CBS have dropped the price of advertising on college football by 50% compared with last season, and advertisers are saying the uncertainty of ratings and inventory could force the price down even more.

Sources said ABC is asking $30,000 for a 30-second spot during its coverage of College Football Assn. games. CBS has priced its spots a bit higher for its upcoming coverage of Big Ten and Pac 10 games. CBS also will air two games it purchased last year outside the National Collegiate Athletic Assn. pact, which was declared in violation of antitrust law by the U.S. Supreme Court.

Last season, under the NCAA pact, advertisers were paying from $60,000 to $65,000 for a 30-second spot. The two networks last year, however, staggered the airing of their games. This season, ABC and CBS will broadcast college football simultaneously, and advertisers expect the head-to-head competition will drive down both networks' ratings.

Furthermore, the Court decision allowed the networks to get out of their contracts with the NCAA,

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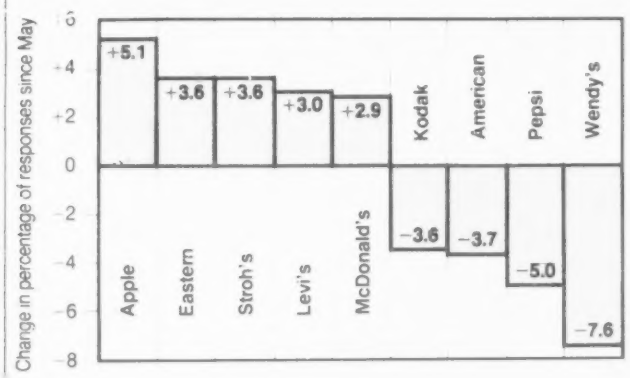
June winners and losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 points is considered statistically significant.
Source: SRI Research Center Inc., Lincoln, Neb.



Pepsi ads top list in ad awareness

By SCOTT HUME

It finally happened. Michael Jackson, together with the soda-pop-drinking inhabitants of a spaceship and an estimated $40 million budget for the campaign, have made Pepsi-Cola No. 1 in unaided advertising awareness.

Of course, it probably helped that lovable ol' Clara Peller has been getting a rest.

But the fact remains that of the 1,250 adults surveyed last month for Advertising Age's monthly adWatch survey, 103 (8.2%) said that advertising for Pepsi was the first that came to mind from all the advertising they'd seen, heard or read in the past 30 days.

adWatch

Since its February launch, Pepsi's "Choice of a new generation" campaign consistently has registered impressive advertising awareness scores. But just as consistently it has been overshadowed by Wendy's near legendary "Where's the beef?" commercials with Clara Peller.

While Wendy's has put Ms. Peller on hiatus, Pepsi has continued its campaign, mixing Michael Jackson spots with others, such as one in which a spaceship beams up a Pepsi vending machine after taste-testing both it and Coke.

Wendy's, however, received enough first-place mentions (45) to keep it in the No. 2 spot for June. Chalk it up to memories of Clara or the impact of the sexy salad bar spots Wendy's introduced last month.

In addition to falling back in over-all awareness, Wendy's last month took some lumps in the fast-food category, where there appears to be no catching McDonald's. At the height of the "Where's the beef?" frenzy in April, Wendy's was less than four percentage points behind the leader (28.7% of first mentions vs. 32.5% for McDonald's).

Last month, the percentage of respondents saying Wendy's adver-

(Continued on Page 58)

Cuts in Olympics fees will be passed on: ABC

By DIANE MERMIGAS

Roone Arledge, president of ABC Sports, says the network is prepared to pass on to advertisers "every dime of any reduction made" in its $225 million tv rights fees for the Summer Olympics because of the Soviet-led boycott.

"It's been difficult to place a value on unknown damages that you never may incur in the form of ratings falloff. But we're still negotiating with the Los Angeles Olympic Organizing Committee on what is perceived by both parties as a fair reduction in our rights fees," he said.

"We've told the committee that whatever we get, it will immediately be passed on to advertisers. ABC doesn't want any part of it," Mr. Arledge said last week.

Mr. Arledge said the committee had been anxious to settle on a specific monetary reduction by the time the summer games began July 28. He said he did not expect the rebate to be more than $30 million. He called published reports of a $60 million-to-$90 million rebate "out of line."

Such a rebate would assure that ABC would not have to provide actual airtime make-goods to advertisers if the network fails to reach its target audience during the Olympics. To compensate for lower than anticipated ratings averages during the summer games, ABC simply would reduce the amount advertisers owe the network for commercial airtime purchased during the events.

Under such a plan, the $30 million from the LAOOC would offset any reduction in advertiser payments offered by ABC.

However, John Severino, president of ABC Television, said that if the network fell very short of the 20 rating it hopes to average in prime time coverage, it still would provide some on-air make-goods to advertisers in the interest of good business relations.

"What we wanted to do was to put the last few payments of our fees in escrow to cover any damages we'd have to sustain afterwards as a result of poor ratings and to negotiate the matter after the Olympics," Mr. Arledge said.

"But the organizing committee wants to button this up by coming up with some agreeable figure ahead of time because it goes out of business after the games."

A clause in ABC's contract for the games gives the network the right to negotiate lower rights fees in the event key countries don't participate. ABC also has a $200 million insurance package covering actual losses connected with the Olympic broadcasts.

ABC worked out a formula that assured nearly all of the 45 Winter Olympics advertisers some kind of compensation for ratings that de-

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Heavy ads on line for multifunction-software products

By BRIAN MORAN

Software marketers, propelled by the runaway popularity of Lotus Development Corp.'s 1-2-3 program, are flooding the market with similar integrated packages that can perform an array of different functions.

Lavish advertising and promotion budgets adorn the new products, with most marketers planning extensive print campaigns.

Lotus and Ashton-Tate, the two leading vendors of business software, this month began touting their programs on network tv. But most companies are going after the relatively limited market of sophisticated business users. They are trolling for these potential customers through ads in newspapers and in business and computer magazines.

Multifunction packages roll into one program several common functions, such as database management, financial analysis and word processing. Marketers claim that the souped-up programs do not sacrifice the speed or ease of use characteristic of single-function programs.

Most of these offerings, however, require relatively powerful and expensive personal computers (at least 256K of memory) to run and are priced in the $500-to-

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Steinberg spots a new vocation

By PAT SLOAN

New York—Think of David Steinberg and your first thoughts are stand-up comic, "Tonight Show" guest host and Atlantic City nightclub headliner. Those who caught the Burt Reynolds film "The End" might even think of him as an actor. And movie buffs who happened upon "Paternity" or "Going Beserk" might remember his credits as film director.

But David Steinberg as a director of tv commercials?

Yes. When Backer & Spielvogel rolls out new NCR Corp. computer commercials next month, they will star Dom DeLuise (AA, June 28) and his director will be Mr. Steinberg.

Working in tandem with Larkin Productions, Mr. Steinberg was in town last week to negotiate more stints as a commercials director. His talent agency, William Morris, was initially wary of this new medium for Mr. Steinberg, until he reminded agency executives that they "work for me. I think commercials are great art forms. I said, 'Fine. If you don't like it, don't take a percentage.'"

The kind of commercial work Mr. Steinberg

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BBDO's Brower dead at 82

By STEWART ALTER

Charles Brower, 82, a leading industry figure and major creative and business influence on Batten, Barton, Durstine & Osborne in his 42 years at the agency, died July 23 at his home in Brielle, N.J. The cause of death was not revealed.

Inducted into the Advertising Hall of Fame two years ago, Mr. Brower became president of BBDO in 1957 and chairman in 1964, a position he held until he retired in 1970. He rose through the creative ranks, first joining the agency in 1928 as a copywriter and becoming exec vp in charge of creative services in 1946. He is listed in Julian Watkins' book, "The Top 100 Copywriters."

CHARLES BROWER

When Mr. Brower joined the agency, it was called the George Batten Co. He was hired by William Benton, at that time the head of the trade and industrial section of the Batten copy department. Mr. Benton, however, was fired the Saturday before Mr. Brower was to start at Batten, leaving no written evidence that Mr. Brower had been hired.

Mr. Brower persuaded the agency to let him stay on anyway. He told Batten he had been promised $75 a week, $10 more than was actually the case. "And that was when I got my first raise," Mr. Brower would later tell Barton Cummings in the latter's series of interviews with leading ad agency executives called "The Benevolent Dictators" (AA, July 25, '83).

Interestingly, Mr. Benton, who did not think much of the Batten agency, was fired for "disloyalty" because he urged that the shop merge with the Barton, Durstine & Osborne agency, which had offices in the same building. Four months after firing Mr. Benton, Batten did indeed make the merger, creating BBDO. Mr. Benton, for his part, co-founded his own agency—Benton & Bowles.

Mr. Brower then spent eight years writing copy for Wonder bread while Ted Bates worked the account side. Mr. Bates would also later form his own agency.

Under Mr. Prower's stewardship, BBDO was transformed from predominantly an institutional agency handling banks, insurance companies and public utilities into

(Continued on Page 55)

world news roundup

London—The U.K.'s Department of Energy has picked Doyle Dane Bernbach to handle its $4 million account, previously handled by Young & Rubicam.

Madrid—The Spanish Tourist Secretariat is looking for an agency to handle a new $2.6 million international campaign. Tandem/-DDB, Young & Rubicam and three local shops are pitching.

London—BAT Industries has named Foote, Cone & Belding to handle its $2.6 million worldwide account for State Express cigarets, formerly handled by Ted Bates Holdings here.

Melbourne—Grey Advertising last week acquired a 30% share in Hayes, Cowcher-Dailey, a local shop with $10 million in billings. With offices in Melbourne and Canberra, the agency is now known as Dalziel, Harper & Grey.

Paris—Gruner & Jahr, Hamburg, plans to start publishing a French weekly women's magazine, called *Femme Actuelle*, Oct. 1 with a pressrun of 1 million. Cover price will be 60¢.

Madrid—Coca-Cola Co. is rolling out a noncarbonated version of Fanta in orange, apple and lime flavors with a $1 million campaign via Clarin.

Rio de Janeiro—R.J. Reynolds do Brasil launched Doral filter cigarets last week in southern Brazil through J. Walter

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AdWatch

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tising first came to mind from all the fast-food advertising they had seen fell 7.6 points, after dipping 5.9 points in May. The June rankings put McDonald's No. 1 with 32.1% of first mentions (a 2.9 point increase since May), Burger King back in its accustomed No. 2 spot with 20%, and Wendy's was No. 3 with 15.2%.

Time to break the third "Where's the beef?" spot?

Despite Pepsi's over-all win, it lost some of its fizz in the soft-drink category. Its advertising's share of first mentions dipped five percentage points to 34.2%. Coke held the No. 2 spot with 21.1%, while 7UP was third with 7.3%.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising that first comes to mind in a variety of product and service categories from all they have seen, heard or read in the previous 30 days.

Last month, 1,250 adults were questioned by phone. Under adWatch methodology an increase or decrease between monthly samplings of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Wendy's "Where's the beef?" and Pepsi's "Choice of a new generation" are two of the most talked-about campaigns that have broken during the year's first half. But, of course, there have been many others that have "moved the needle" on advertising awareness during the past six months. Among these are Apple's teaser introduction campaign for its Macintosh computer, Stroh Brewery's "Alex the dog" spots and Burger King's latest round of "broiling vs. frying" commercials.

The abundance of especially memorable creative efforts launched in the year's first six months makes this a good time to take a cumulative look at adWatch advertising awareness results.

What follows are the top advertisers in over-all (unaided) awareness and six-month average shares of first mentions for the top three advertisers in each of the 22 product and service categories adWatch covered.

- **Top 10 over-all.** Wendy's; Pepsi; Coca-Cola; Lite beer from Miller; McDonald's; Burger King; Ford; Budweiser; Chevrolet; Stroh's.

In the past six months, Wendy's advertising came to mind first for more respondents than for the next three advertisers combined.

- **Airlines.** Eastern (13.8%); United (12.7%); American (10.3%).

With fare wars and flight expansions boosting advertising expenditures, this has been one of the first half's most changeable categories. Each of these three airlines has been No. 1 at least once during the period. In June, Eastern's share of first mentions rose 3.6 percentage points, moving it into the lead. American lost 3.7 points and dropped from No. 1 to No. 3.

- **Apparel.** Levi's (10.4%); Jordache (5.4%); Sears (4.6%).

Watch Sears. In the June survey it passed Jordache for the first time. Levi's top-of-mind awareness was up three points last month.

- **Beer.** Budweiser (14.2%); Miller (9.7%); Miller Lite (8.4%).

Coors, with a six-month average of 8.3%, is breathing down Lite's neck.

Stroh's, with expanded distribution and advertising presence, gained 3.6 points in the June survey, moving it up to No. 3.

Also worth noting in the June survey is the first appearance of Anheuser-Busch's LA, which in a short time received more mentions than such established brands as Molson, Heineken or Old Milwaukee.

- **Breakfast foods.** Cheerios (6.9%); Wheaties (6.3%); Kellogg (5.7%).
- **Cameras & photographic equipment.** Kodak (27.5%); Canon (16.3%); Polaroid (8.6%).

Kodak's share of first mentions dropped 3.6 percentage points in June.

- **Cars & trucks.** Ford (22.2%); Chevrolet (12.6%); Toyota (8.0%).
- **Coffee.** Maxwell House (23.7%); Folger's (21.2%); Sanka (6.8%).
- **Computers.** Apple (22.8%); IBM (13.0%); Commodore (6.2%).

Apple continued to strengthen its lead in June, jumping 5.1 percentage points.

Worth noting: Last month, only 35% of the adults surveyed were unable to recall any advertising for a computer company. That compares with 44% who could not name a specific laundry-product ad they'd seen.

- **Cosmetics.** Avon (5.2%); Maybelline (4.8%); Revlon (3.8%).
- **Financial institutions.** Merrill Lynch (6.4%); E.F. Hutton (4.5%); Dean Witter (1.7%).

Last month, 62% of respondents drew a blank when asked what advertising in this category first came to mind.

- **Fast-food.** McDonald's (34.3%); Wendy's (20.4%); Burger King (16.4%).
- **Frozen foods.** Birds Eye (14.5%); Swanson (7.2%); Stouffer (5.5%).
- **Home electronics.** General Electric (5.4%); RCA (3.1%); Sony (2.8%).
- **Laundry products.** Tide (24.6%); Cheer (4.4%); All (4.3%).
- **Liquor.** Jack Daniels (4.4%); Seagrams (2.1%); Black Velvet (1.7%).

Despite the relatively low shares for the top three, 91% of respondents last month were able to recall specific brand advertising (but most of the dozens of brands named received less than 1% of total mentions).

- **Medicine & drugs.** Tylenol (26.4%); Anacin (7.4%); Bayer (4.9%).
- **Pet food.** Purina (13.0%); Alpo (8.4%); Meow Mix (3.5%).
- **Soap & shampoo.** Ivory (8.2%); Head and Shoulders (6.2%); Prell (5.7%).
- **Soft drinks.** Pepsi-Cola (33.6%); Coca-Cola (21.6%); 7UP (7.2%).
- **Tea.** Lipton (46.9%); Nestea (4.2%); Tetley (3.4%).
- **Tobacco.** Marlboro (7.8%); Skoal (5.2%); Winston (4.0%).
- **Wine.** Gallo (11.3%); Riunite (9.1%); Paul Masson (3.6%).#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

ABC to pass on cuts in Olympics fees

(Continued from Page 3)

clined across the board from the 1984 Winter Olympics (AA, March 12).

The 18.2 total households ratings average for this year's Winter Olympics coverage in prime time was off 24% from the 24 ratings average ABC projected.

Although ABC sells the Olympics on household ratings without guarantees, the network believes it is prudent business to compensate advertisers for ratings shortfalls. Sources say ABC estimates its Summer Olympics coverage will average a 20 rating.

ABC has nearly sold out $435 million of available network tv time for the summer games, which will be telecast in 180 hours of mostly live tv coverage through Aug. 13. Among the leading sponsors are Coca-Cola, AT&T, Anheuser-Busch, Atlantic Richfield, McDonald's, Levi Strauss, General Motors' Buick, Motorola, IBM and Xerox.

Aside from jeopardizing the impact of more than $1 billion being spent to promote advertisers' Olympic tie-ins, lower than anticipated ratings for the summer games undoubtably would affect the value and desirability of the 1988 Summer Olympics in Seoul, South Korea.

Mr. Arledge also could find himself a victim of a boycott-precipitated ratings dive in the summer games. Like Fred Silverman, who was president of NBC when that network owned the broadcast rights for the 1980 Moscow games, which the U.S. boycotted, Mr. Arledge could find himself a victim of unfortunate circumstances that could adversely affect his career.

However, such a prospect appeared to be the furthest thing from his mind last week as Mr. Arledge prepared to oversee most, if not all, of ABC's exclusive Summer Olympics coverage from a control center in Los Angeles.

In addition, Mr. Arledge underwent surgery several weeks ago to have a benign tumor removed from his thyroid gland, which was discovered during a routine physical. Most of his thyroid also was removed.

However, Mr. Arledge denied rumors surfacing last week that, for health reasons, he would be unable to maintain his unprecedented dual function at ABC as president of both the sports and news divisions, as he has since 1977.

"My health is fine. It's just that I went right from the operation to overseeing our coverage of the Democratic convention in San Francisco to overseeing our Olympics coverage here [in Los Angeles], and then we're on to Dallas for the Republican convention," he said.

Mr. Arledge, 53, who has the reputation of being an innovative broadcasting maverick, also denied renewed rumors about his stepping down from one or both ABC posts by year's end because of their extraordinary demands. Mr. Arledge said his current ABC contract runs through next year.

"I really don't know what I will do next, but a lot of that will depend on what shape things are in," he said.

Mr. Arledge admitted there was a point late last year when his superiors at ABC Inc. offered him the opportunity to move up the corporate ladder.

ROONE ARLEDGE

He did not elaborate on what broadcasting-related post he was offered.

"I immediately declined because I felt I owed it to people to see through this year's huge undertakings in news and sports, meaning the Olympics and the elections, through to the Super Bowl and the inauguration next January," Mr. Arledge said.

"I've put on hold any consideration of what I'll do in the future until next year," he said. "But I'm sure the day will come when I want to change."#

Bill may unpot honey ads

By STEVEN W. COLFORD

Washington—Stung by sagging honey sales, U.S. bee keepers are buzzing over the idea of a multi-million-dollar national advertising campaign to expand the market for their golden nectar.

The campaign would be commissioned by a national honey board—as yet unformed—and financed by an assessment of honey producers and importers, according to their volumes. Initial estimates have put the fund at about $3.2 million.

Although the board would decide the exact nature of the promotional campaign, a Department of Agriculture official said he believed the board "would have to rely on an agency" with the experience and expertise to conduct a national campaign.

The potential for these new tactics comes from a bill introduced last spring by Rep. E. (Kika) de la Garza (D., Tex.) and passed unanimously on July 24 by the full House.

Texas is one of the nation's leading honey-producing states, as is North Dakota, home of Republican Sen. Mark Andrews, who today will introduce his own version of the bill.

Sen. Andrews might try to push the bill directly to a Senate floor vote—perhaps as early as this week—or might first schedule committee hearings, an aide said. Either way, he added, the bill is expected to encounter no opposition.

Congress was lured into the sticky matter when the domestic honey-producing industry, led by the American Beekeeping Federation, lobbied for federal help against cheaper imported honey.

Annual U.S. honey consumption has been about 1 lb. per person for several years, says the Department of Agriculture, and imports have eaten away at the domestic share of the static sales, principally because of the federal price supports that keep domestic honey prices high.

The legislation would authorize USDA to conduct a national referendum of honey producers and importers on whether they would contribute to a national promotion fund.

If a prescribed number approved, the Secretary of Agriculture would appoint a national honey board to assess industry members and spend the money.

The legislation stipulates that only producers and importers of more than 6,000 lbs. of honey a year would be assessed, at an initial rate of 1¢ per 100 lbs.

Frank Grassberger, acting chief of USDA's specialty crops branch, said 205 million lbs. of honey were produced in the U.S. last year and another 110 million lbs. were imported.#

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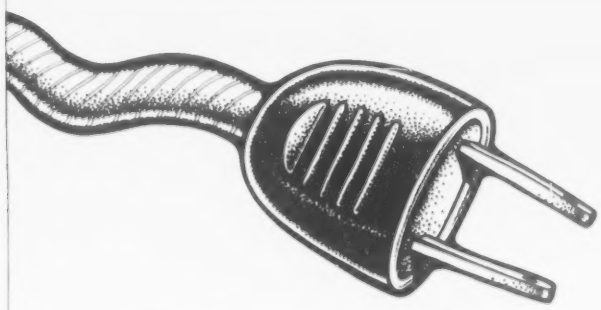

Country music fans buy more power tools than just about anybody else. Doesn't that sound electrifying, Black & Decker?

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